



# *Underground Storage Tank Fees*

*Waste and Hazardous Materials Division  
November 6, 2008*



## *Storage Tank Program*

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- *Underground Storage Tanks (USTs)*
  - *Part 211, Underground Storage Tank Regulations, of the Natural Resources and Environmental Protection Act, 1994 PA 451, as amended*
- *Aboveground Storage Tanks (ASTs)*
  - *Fire Prevention Code, 1941 PA 207, as amended*



## UST Program Activities

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- *Review and approve engineering plans for new UST systems*
- *Oversee and certify the installation of new UST systems*
- *Review and approve site assessments for UST system removals to ensure that no contamination remains*
- *Review every site's insurance or other bond each year to verify they have adequate financial coverage for a potential release*
- *Inspect all active regulated UST systems at least once every three years*



## *UST Program Activities (cont'd)*

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- *Review and approve rule variances, products, and methods for UST system design, installation, and operation*
- *Process updated registrations*
- *Issue invoices and process annual UST fee payments*
- *Respond daily to a high volume of Freedom of Information Act requests on UST records for individual sites*



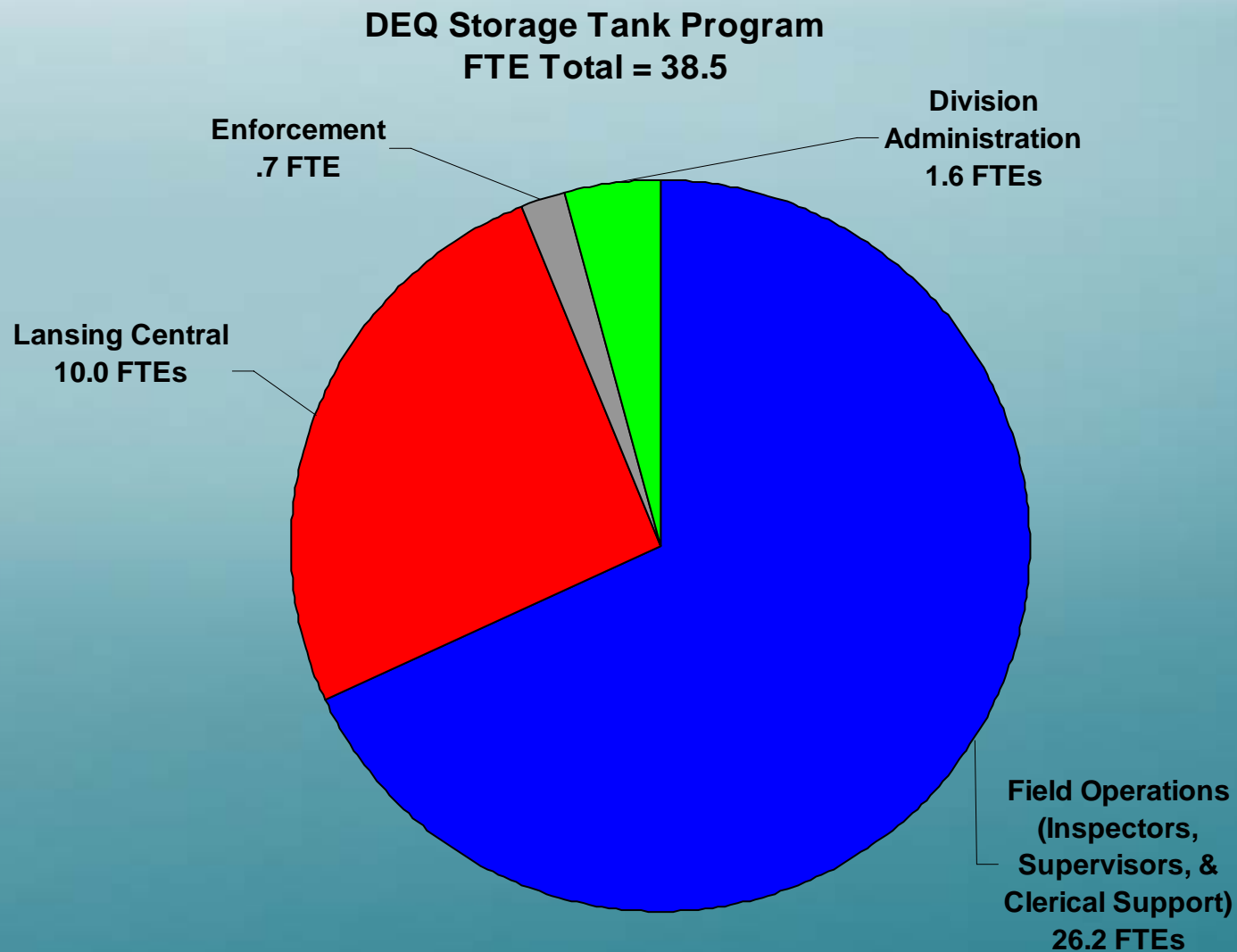
## *FY 08 UST Program Overview*

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- *19,905 active USTs at 7,368 facilities*
- *2,007 facility inspections*
- *~200 facilities red-tagged*
- *97 plan reviews*
- *4 variance requests*
- *Rules promulgation*



## Program Staffing





- *Effective/Efficient*
- *Meeting deadlines for reviews*
- *Subject to audits and internal control evaluations*
- *Inclusive*
- *Challenges*

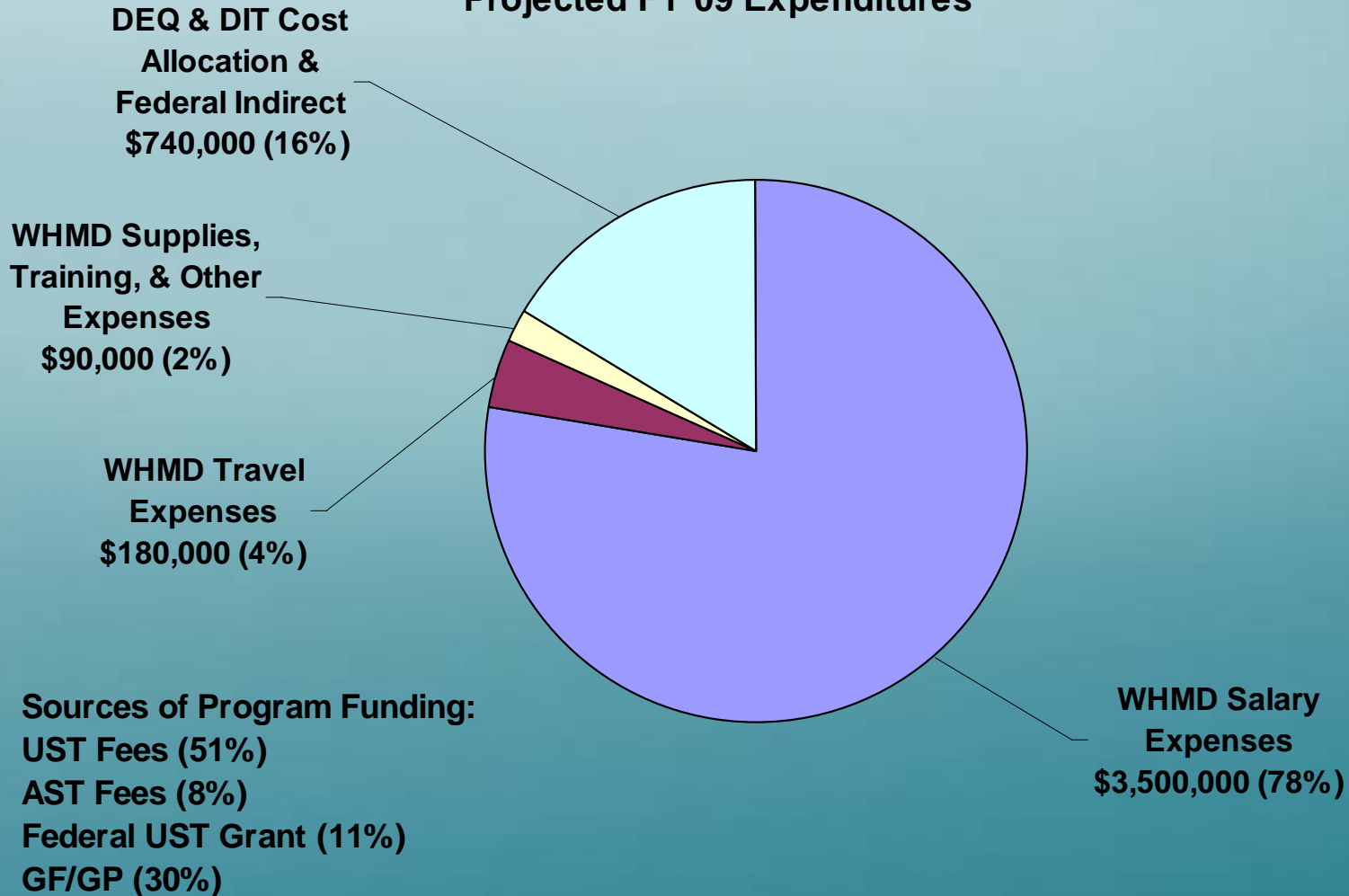


## *Storage Tank Program Revenue*

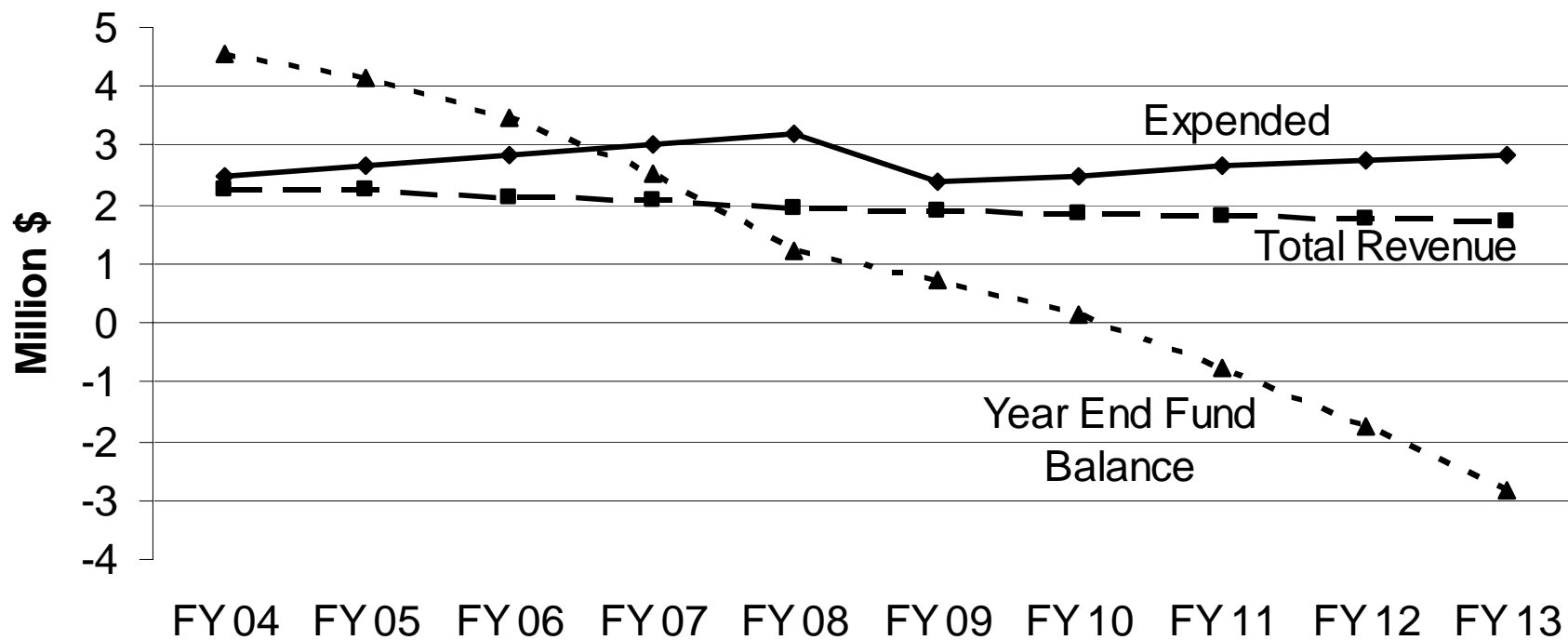
<i>Revenue Source</i>	<i>FY 07</i>	<i>FY 08</i>	<i>FY 09</i>
<i>General Fund</i>	<i>\$0</i>	<i>\$0</i>	<i>\$1,398,500</i>
<i>Federal Funds</i>	<i>\$286,000</i>	<i>\$500,000</i>	<i>\$500,000</i>
<i>AST Fees</i>	<i>\$544,000</i>	<i>*\$490,000</i>	<i>*\$490,000</i>
<i>UST Fees</i>	<i>\$2,086,000</i>	<i>*\$1,930,000</i>	<i>*\$1,890,000</i>
<i>Total</i>	<i>\$2,916,000</i>	<i>*\$2,920,000</i>	<i>*\$4,279,500</i>

*\*Estimated*

## DEQ Storage Tank Program Projected FY 09 Expenditures



## Underground Storage Tank Fund





## *Proposed Program Funding Change*

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- *Increase fee revenue to ensure core program staffing level can be restored and maintained*
  - *Annual fee*
  - *Installation application fee*
  - *Reinspection fee*
  - *Responsibility for past due fees*



## *Proposed Fee Increases*

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- *Phased-in annual registration fee increases from current \$100:*
  - *FY 10 - \$125*
  - *FY 11 - \$135*
  - *FY 12 - \$145*
  - *FY 13 - \$150*
- *Proposed new installation application fee of \$250 to cover engineering plan review*



## *Proposed New Reinspection Fee*

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- *Reinspection fee of \$500 per facility*
- *Must be paid and all violations corrected prior to removal of red tag*
- *Less than 7% of facilities are red-tagged*



## *Proposed UST Fee Responsibility*

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- *Holds current owner responsible for past due fees*
- *Minimizes need for DEQ to track down former owners*
- *Cuts down on shell game played by some to evade paying annual registration fees*



*Without the proposed fee increase, Program reductions will be necessary in FY 10. With fewer staff, there will be negative impacts, such as:*

- Diminished services*
- Loss of federal grant funds*
- Fewer inspections*



- *UST systems are installed without DEQ review and inspection*
- *Increased risk of fires and releases*
- *More contaminated sites*
- *Delayed adoption of current national codes for fire safety*
- *Unlevel playing field*

*Questions?*